



As part of September's Life Insurance Awareness Month, the District of Columbia Department of Insurance, Securities and Banking brings age-relevant tips to help consumers understand life insurance. For more information, visit its Web site at www.disb.dc.gov.



Life 401: Later-in-Life Insurance

Life Insurance Tips for Seniors and Empty Nesters

As an empty nester, you may be planning to sell your home and retire to a new area, considering long-term care coverage, or evaluating annuities. In addition, you may be entitled to discounts on home or auto insurance. Now is a good time to re-evaluate your life insurance needs to determine whether you still need as much coverage as you did when your family was younger and you had a large mortgage on your home. Your circumstances have likely changed.

- If you are covered by a group life insurance policy through your job and are planning to retire soon, inquire about whether you can convert it to an individual policy.
- Review your policies to determine whether you can decrease coverage. Consider these factors:
 - **Is your spouse alive?**
 - **Is your home paid off?**
 - **What other financial assets do you have in addition to life insurance?**
 - **Are your children financially independent?**
 - **Do you have high current debts or anticipate estate taxes that would be a struggle for your survivors to pay off after you die?**
- Be sure to update your beneficiaries. For example, has your spouse died or have you remarried?
- If you have a cash value life policy, consider whether you can use some of the money built up in the policy to pay for long-term care insurance premiums, if long-term care insurance makes sense for you.
- Once you reach age 59 ½, you are eligible to withdraw funds penalty-free from your 401(k) or IRA. At this time you may be considering the purchase of an annuity – a contract with an insurance company that promises to pay a series of income payments at regular intervals in return for premiums you have paid. Explore the different types of annuities available:
 - ⇒ **Single premium**
 - ⇒ **Multiple premium**
 - ⇒ **Fixed**
 - ⇒ **Deferred**
 - ⇒ **Variable**

What is your
Insure U IQ?

Visit the Web site at www.insureUonline.org
and try the Life 401 Empty Nesters Quiz.

In addition, make sure you examine whether an annuity makes sense for you in terms of your age and income needs.